



Alan C. Lloyd, Ph.D.
Agency Secretary

Air Resources Board

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Arnold Schwarzenegger
Governor

November 18, 2005

Mr. Ed Ward
JB Dewar Technical Services
75 Prado Road
San Luis Obispo, California 93401

Dear Mr. Ward:

Thank you for your letter of November 3, 2005, in which you provided comments regarding the vapor recovery rulemaking workshop held on October 18, 2005. You expressed disappointment with the teleconferencing aspect of the meeting and you suggested changes to the Vapor Recovery Certification Procedure CP-201 and the Definitions for Vapor Recovery Procedures (D-200).

We agree that the teleconferencing process that we currently use has several shortcomings. In particular the following two aspects seem most significant.

1. It is difficult at times for telephone participants to hear the questions and general discussion from the audience.
2. Some of the telephone participants do not use the system appropriately (i.e., using the "hold" function rather than the "mute" function, or forgetting to turn the mute function on) which interferes with other participants ability to participate in the workshop discussion.

To address the issue described in number one above, we will be looking into installation of a microphone system in the conference room. This would allow the use of wireless microphones in the audience during general discussion periods. To address the issue described in number two above, we will prepare a protocol for teleconference etiquette. The protocol will be enclosed to the workshop agenda and briefly reviewed at the beginning of workshops. Hopefully this would resolve the issue. Again, we appreciate you bringing this to our attention and would like to take the opportunity to improve our teleconferencing process.

The following is our response to each of your comments on the Vapor Recovery Certification and Test Procedures:

D200

You suggested that a definition be added for equipment/parts availability, and commented that replacement parts may be needed within twenty four hours. We agree that manufacturers should be able to provide replacement parts within a reasonable timeframe to minimize impacts to gasoline dispensing facilities (GDF). Nevertheless, it is standard practice and prudent for

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California Environmental Protection Agency

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station owners or maintenance contractors to reserve extra nozzles and hanging hardware for quick replacement in the event of drive-offs or vandalism. Furthermore, there will be certain components that require additional time to procure, such as subcomponents for processors. Finally, although a component may be procured quickly, it may take longer to schedule a contractor to replace.

Section 9.1 of CP-201 requires the Air Resources Board (ARB) Executive Officer to evaluate the adequacy of a manufacturer's distribution and replacement parts program or any other factors affecting the economic interests of the system purchaser. We appreciate your comment and will consider it during our evaluation of an applicant's replacement parts program.

You also suggested that a definition for "defective assembly" be added to allow a vapor recovery equipment manufacturer to quickly replace sub standard equipment. No substandard equipment is allowed to be installed. We have a process in place to identify substandard equipment in the field and to take corrective action to remedy the issue. The ARB meets quarterly with the California Air Pollution Control Officers Association (CAPCOA) Vapor Recovery Committee to discuss and resolve vapor recovery equipment issues identified in the field by District enforcement staff. ARB's In-Use Vapor Recovery Section is responsible for addressing equipment issues in the field. If you are aware of any such situation, please immediately bring it to the attention of District enforcement staff or Ranjit Bhullar of the ARB In-Use Vapor Recovery Section. Mr. Bhullar can be reached at (916) 322-0223 or rbhullar@arb.ca.gov.

CP201; Section 4.3, Spillage

Thank you for your comments regarding the proposed change to the spillage standard. Changing the spillage standard from 0.24 pounds/1,000 gallons to 0.05 pounds/1,000 gallons will result in a hydrocarbon emission reduction of 3.9 tons/day (considering 15 billion gallons throughput per year). We are still considering whether to proceed with the proposed change and will consider your comments on this topic.

TP201.2I; Section 9.12

We are proposing to delete an obsolete section, section 9.12, from the Test Procedure (TP) 201.2I. This section refers to a performance specification that was deleted by the ARB at a December 2002 public hearing. It was inadvertently not deleted in TP 201.2I.

During an overpressure event (i.e. fuel drop) the in-station diagnostic system (ISD) will record the event's pressure and duration. If the pressure and duration criteria requirements are exceeded per sections 9.9, 9.10, or 9.11 a warning alarm will occur. If the warning alarms a second consecutive time within the section's specified time period, a failure alarm will occur, resulting in the system being shut down at the end of the assessment period. The system will remain operable during short duration spikes in pressure associated with certain events like fuel drops.

We apologize for not responding to your earlier note concerning over pressurization of a GDF that is associated with a bulk plant operation. In response to CAPCOA and your request, ARB

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staff visited several GDF operations associated with bulk plants, including a facility operated by your company. Based on these visits, we determined that the Healy Phase II Enhanced Vapor Recovery System including ISD is not applicable to GDF operations that are associated with a bulk plant. Thus, a major modification would not trigger the Phase II EVR requirements. However, such facility must still comply with applicable district rules and with the certification requirements specified in CP-202 (bulk plants) or CP-203 (terminals).

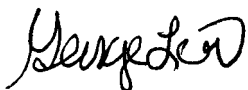
In response to your comment regarding timelines for cost and technical evaluation of the ISD system, there are two timelines associated with ISD: 18 Month Cost Effectiveness and In-Use Evaluation. The 18 Month Cost Effectiveness evaluation started when the first ISD system was certified (August 31, 2005), as directed by the Board. The protocol is being reviewed by ARB staff and the CAPCOA Vapor Recovery Committee. The In-Use Evaluation will consist of six ISD sites in six different districts. The In-Use Evaluation will start when the sixth site becomes operational (with at least four of those sites in protocol designated districts) or 12 months after the first evaluation site is installed, whichever comes first. The In-Use Evaluation protocol is also currently being evaluated by CAPCOA Vapor Recovery Committee. Both these protocols should be available for public comment by December 31, 2005.

CP201; Section 18.2

You suggested that some of the statements in proposed section 18.2 need further clarification. The terms "abbreviated", "full" and "limited" are further defined in D-200. If you have suggestions to further clarify these terms, please submit them to Kevin Mongar at kmongar@arb.ca.gov. We agree that no vapor recovery equipment should be certified unless it meets the standards and specifications listed in CP-201. The terms and test conditions we are proposing were developed to eliminate unnecessary testing and conserve resources while still maintaining a quality, robust product. If a previously certified component is included in a different system, the type, frequency and duration of testing of the second system will depend on the similarities of the two systems and the conditions in which they operate. If you have any suggestions for testing criteria, please submit them to Mr. Mongar.

Again, we do appreciate your comments and look forward to a constructive dialogue with you as we move forward with this rulemaking. If you have questions or concerns, please contact me at (916) 327-0900 or via email at glew@arb.ca.gov.

Sincerely,



George Lew, Chief
Engineering and Certification Branch
Monitoring and Laboratory Division

cc: See next page

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cc: Bill Loscutoff
Air Resources Board

Jay McKeeman
California Independent Oil Marketing Association

Richard Smith
San Diego County Air Pollution Control District